



NEWS RELEASE

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Small Business Administration To Reopen 7(a) Loan Program

Temporary Solution Adopted Until Congress Passes SBA's Appropriation

Washington – The U.S. Small Business Administration has announced it will reopen its 7(a) loan program on Wednesday, January 14th, with an additional \$470 million in lending authority, and a loan cap of \$750,000 per loan recipient.

With the SBA's Fiscal Year 2004 appropriation still awaiting approval in the U.S. Senate, the program was suspended last Tuesday because of volume constraints under the Continuing Resolution that runs through the end of January. Since the beginning of the fiscal year on October 1, 2003, SBA funding has come from a series of short-term Continuing Resolutions based on the Fiscal Year 2003 program level.

The SBA will reopen with \$470 million in lending authority under the Continuing Resolution through January 31. However, if the program's demand remains at the recently high level, this amount may not be adequate to keep the program running through the end of the current Continuing Resolution, January 31st. Once SBA receives its full year's appropriation, it expects to be able to keep the program running without interruption, working with Congress to manage the available funding.

"It is critical to our nation's small business community that the 7(a) program is back up and running as quickly as possible," said Hector V. Barreto, SBA Administrator. "We are reopening the program tomorrow with the funding that Congress has approved, and the SBA will provide 7(a) loans as long as the necessary funding is available. However, it is extremely important that Congress pass an annual appropriation to keep this vital loan program open, without interruption."

Congress reconvenes on January 20th.

The SBA will begin accepting applications for 7(a) loans after 12:00 noon EST on Wednesday, January 14.

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